

Michigan State  
Administrative Board

Lansing, Michigan

October 19, 2004

A regular meeting of the State Administrative Board was held in the 1921 Department of Conservation Conference Room, 7<sup>th</sup> Floor, Mason Building, on Tuesday, October 19, 2004, at 11:00 a.m.

Present: Kelly Keenan, Chief Counsel, representing Jennifer M. Granholm, Governor, Chairperson  
Kristie Profit, Policy Advisor, representing John Cherry, Lt. Governor  
Patrick F. Isom, Assistant Attorney General, representing Michael A. Cox, Attorney General  
Mary G. MacDowell, Director, Financial Services Bureau, representing Jay B. Rising, State Treasurer  
Joseph Pavona, Director, Bureau of Administrative Services, representing Terri Lynn Land, Secretary of State  
Carol Wolenberg, Deputy Superintendent for Administration, representing Thomas D. Watkins, Superintendent of Public Instruction  
Randy Knapp, Manager, Contract Services Division, representing Gloria Jeff, Director, Department of Transportation  
Sherry Bond, Secretary

Others Present:

Melissia Christianson, Department of Attorney General; Sergio Paneque, Executive Office; Carol Culham, Department of History, Arts, and Libraries; Sean Carlson, Joe Chin, Jr., Janet Rouse, Tom Saxton, Department of Management and Budget; Matt DeLong, Jean Ingersoll, Pam Lavender, Pat Scarlett, Department of Transportation; William Deary, Great Lakes Home Health; Phil Hoffman, Hoffman Legislative Consultants; Tabitha Lemon, Karoub Associates; Senator Mark Schauer, Michigan Senate

1. CALL TO ORDER:

Mr. Keenan called the meeting to order and led the Pledge of Allegiance to the Flag.

2. READING OF MINUTES OF PRECEDING MEETING AND APPROVAL THEREOF:

Ms. Wolenberg moved to approve the minutes of the State Administrative Board for the special meeting of October 1, 2004. The motion was supported by Mr. Pavona and unanimously adopted.

3. HEARING OF CITIZENS ON MATTERS FALLING UNDER JURISDICTION OF THE BOARD:

Mr. Keenan announced there would be a three-minute time limit on each person's comments.

William Deary, CEO of Great Lakes Home Health and Hospice read a prepared statement that is attached to these minutes.

Mr. Keenan asked if Senator Schauer wanted to add anything.

Senator Schauer said he represents Jackson. He introduced Senator Phil Hoffman and thanked the Board for their support. He said they wanted a special Building Committee meeting today and had been working with the Department of Military and Veterans Affairs on this project. They have been told verbally that everything was in place for November 2, 2004. He supports Mr. Deary's request and wants the Board to act quickly on this.

Mr. Keenan thanked Senator Schauer and said this is not on the Board's agenda today. Mr. Keenan said Sergio Paneque will help get this on the November 2, 2004 Board meeting agenda.

Senator Schauer thanked the Board.

Mr. Keenan thanked Senator Schauer and the group making the presentation.

4. COMMUNICATIONS:

NONE

5. UNFINISHED BUSINESS:

NONE

6. NEW BUSINESS:

NONE

7. REPORTS AND RECOMMENDATIONS OF COMMITTEES:

(Please see the following pages)

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Ms. MacDowell presented the Finance and Claims Committee Report for the regular meeting of October 12, 2004. After review of the forgoing Finance and Claims Committee Report, Ms. MacDowell moved that the Finance and Claims Committee Report covering the regular meeting held October 12, 2004, be approved and adopted. The motion was supported by Ms. Wolenberg and unanimously approved.

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Ms. MacDowell presented the Building Committee Report for the regular meeting of October 13, 2004. After review of the forgoing Building Committee Report, Ms. MacDowell moved that the Building Committee Report covering the regular meeting held October 13, 2004, be approved and adopted. The motion was supported by Mr. Pavona and unanimously approved.

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Mr. Pavona presented the Transportation and Natural Resources Committee Report for the regular meeting of October 13, 2004. After review of the forgoing Transportation and Natural Resources Committee Report, Mr. Pavona moved that the Transportation and Natural Resources Committee Report covering the regular meeting held October 13, 2004 be approved and adopted. The motion was supported by Mr. Isom and was unanimously approved.

8. MOTIONS AND RESOLUTIONS:

NONE

9. ADJOURNMENT:

Ms. Wolenberg moved the meeting be adjourned. The motion was supported by Ms. MacDowell and unanimously approved. Mr. Keenan adjourned the meeting.

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SECRETARY

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CHAIRPERSON

**STATE ADMINISTRATIVE BOARD**

**COMMENTS: WILLIAM DEARY, CEO, GREAT LAKES HOME HEALTH & HOSPICE  
OCTOBER 19<sup>TH</sup>, 2004**

We very much appreciate the opportunity to address the State Administrative Board. I represent Great Lakes Home Health and Hospice, located in Jackson, Michigan. I stand before you requesting consideration and approval of the sale of 3.2 acres of property, located at the former State prison site situated on Cooper Street, the City of Jackson's front door, from the Department of Military and Veterans Affairs to Great Lakes Home Health and Hospice, via the Enterprise Group of Jackson.

Ten years ago Great Lakes Home Health and Hospice was created to provide superior quality home care to the elderly in their homes located in Jackson, Michigan. Our master plan was to have 25 employees when we were a mature company. Today, almost 300 employees serve 29 counties throughout the lower half of Michigan, in seven offices, the seventh of which will celebrate its opening and ribbon cutting later today in Howell.

In December of 2002 we initiated the process to acquire the property located outside the old prison wall, next to the Jackson Armory. 22 months later we are still working to acquire and close on this property. The acquisition process has been full of interesting issues and even surprises, most notably the fact that the Armory occupied property for over 50 years, that they did not know, they did not own. On December 17, 2003 House Bill 5386 was introduced and we thank the Governor for signing the bill on April 1, 2004, which authorized the transfer of this property from the Department of Corrections to the DMVA. Sometimes people say it would take and act of the Legislature to achieve their goals, this time it actually did, and yet seven months later we are still working to accomplish a relatively simple task. We have followed protocol, abided by process and exhibited extraordinary patience. Today we request that the proper approvals be provided to allow us to close on this property, at a time already scheduled with a title company on Friday, October 22<sup>nd</sup>.

We decided to commit to reinvesting the City of Jackson's urban core, rather than relocate to another city or sell the business to an out of state company. All of the eligible local governmental units wholeheartedly agree our proposed redevelopment is in the community's best interest. We are paying the approved fair market value to the Enterprise Group, the local non-profit economic development organization for Jackson County. We in turn have entered into a contract to immediately purchase and start construction of a new 23,000 sq ft office building, contributing to the ongoing redevelopment of the City of Jackson.

Great Lakes Home Health and Hospice critical need to acquire the property and initiate construction is exemplified by simple statistics; in July we added 24 jobs to the Michigan workforce, in August another 21 and in September another 42. Please note that in our industry the employee turnover rate is 21%. At Great Lakes Home Health and Hospice our turnover rate is 6%, (we retain employees at a rate of 71% better than our industry average).

Our annualized payroll is in excess of \$7,985,000, additionally we pay Blue Cross Blue Shield another \$500,000 to provide health care for our employees.

Our success relies on our providing a superior quality work environment for our employees so that they in turn can provide superior quality care for the patients we are provide the honor to serve. Yesterday we provided care to 902 individuals in their home, more patients than the inpatient census of Sparrow Hospital, Ingham Regional Hospital and Foote Hospital – Combined. We can not continue to grow at the dynamic pace we have realized, over 25% per year, each year since 2000, and provide the quality of work life we command for our employees, without a new facility. As we have been patient with the governmental process, so too our employees have been patient with management, as we explain each delay and ask again for their support in ever tightening and more crowded work spaces. I am confident that our employees' patience is not without limit. Individual employee cubicles have been sub-divided into two work spaces and our small conference rooms now are partitioned into three employee's work spaces. Currently, we need to go out to a local restaurant to have an available space large enough to hold a departmental staff meeting.

We have now run into an immovable deadline, winter in Michigan. If we do not immediately begin construction we will run out of time and our project will be curtailed for almost six months. Your next Administrative Board Meeting, November 2<sup>nd</sup> may seem like it is only two weeks away, however in the remaining five weeks we have to complete critically important tasks that will ensure we can build through the winter, please realize, two weeks is 40% of our allotted work time.

Please help us to obtain the approvals required today, to ensure that we can continue providing almost \$8.5 million dollars of support to working families in Michigan. High quality jobs and a vibrant and strong economy are critical components of success in Michigan. We can contribute in a small yet important manner, with your help today. We thank you for your time, your help, and your approval of this request.

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